

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL -- MAKE CHANGES AS NECESSARY

D

W-01917A
Dragoon Water Company
7459 E. Almeria Rd.
Scottsdale AZ 852570000

RECEIVED

MAR 10 2005

AZ Corporation Commission
Director Of Utilities

ANNUAL REPORT

FOR YEAR ENDING

12	31	2004
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FOR COMMISSION USE

ANN04	04
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COMPANY INFORMATION

Company Name (Business Name) DRAGOON WATER CO., INC.

Mailing Address 7459 E. ALMERIA
(Street)

SCOTTSDALE, AZ 85257

(City)

(State)

(Zip)

(480) 945-4800

(480) 941-5190

(480) 945-4800

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Email Address _____

Local Office Mailing Address SAME AS ABOVE
(Street)

(City)

(State)

(Zip)

Local Office Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Email Address _____

MANAGEMENT INFORMATION

Management Contact: JAMES P. SULLIVAN PRESIDENT
(Name) (Title)

7459 E. ALMERIA SCOTTSDALE AZ 85257

(Street)

(City)

(State)

(Zip)

(480) 945-4800

(480) 945-4800

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Email Address _____

On Site Manager: SOUTHWESTERN UTILITY MANAGEMENT, INC.
(Name)

1121 WEST GRANT, #413

(Street)

TUCSON

(City)

AZ

(State)

85705

(Zip)

(502) 623-5172

(520) 792-0377

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Email Address _____

Statutory Agent: RICHARD L. SALLQUIST

(Name)

2525 E. ARIZONA BILTMORE CIRCLE # 117 PHOENIX AZ 85016

(Street)

(City)

(State)

(Zip)

(602) 224-9222

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Attorney: SAME AS ABOVE

(Name)

(Street)

(City)

(State)

(Zip)

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

OWNERSHIP INFORMATION

Check the following box that applies to your company:

- | | |
|---|--|
| <input type="checkbox"/> Sole Proprietor (S) | <input checked="" type="checkbox"/> C Corporation (C) (Other than Association/Co-op) |
| <input type="checkbox"/> Partnership (P) | <input type="checkbox"/> Subchapter S Corporation (Z) |
| <input type="checkbox"/> Bankruptcy (B) | <input type="checkbox"/> Association/Co op (A) |
| <input type="checkbox"/> Receivership (R) | <input type="checkbox"/> Limited Liability Company |
| <input type="checkbox"/> Other (Describe) _____ | |

COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

- | | | |
|-------------------------------------|---|-----------------------------------|
| <input type="checkbox"/> APACHE | <input checked="" type="checkbox"/> COCHISE | <input type="checkbox"/> COCONINO |
| <input type="checkbox"/> GILA | <input type="checkbox"/> GRAHAM | <input type="checkbox"/> GREENLEE |
| <input type="checkbox"/> LA PAZ | <input type="checkbox"/> MARICOPA | <input type="checkbox"/> MOHAVE |
| <input type="checkbox"/> NAVAJO | <input type="checkbox"/> PIMA | <input type="checkbox"/> PINAL |
| <input type="checkbox"/> SANTA CRUZ | <input type="checkbox"/> YAVAPAI | <input type="checkbox"/> YUMA |
| <input type="checkbox"/> STATEWIDE | | |

COMPANY NAME**DRAGOON WATER CO., INC.****UTILITY PLANT IN SERVICE**

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization	6,983		6,983
302	Franchises			
303	Land and Land Rights	2,750		2,750
304	Structures and Improvements	29,114	14,577	14,537
307	Wells and Springs	34,296	14,488	19,808
311	Pumping Equipment	149,904	126,946	22,958
320	Water Treatment Equipment			
330	Distribution Reservoirs and Standpipes	94,615	43,103	51,512
331	Transmission and Distribution Mains	150,733	64,395	86,338
333	Services	14,201	5,053	9,148
334	Meters and Meter Installations	25,694	11,881	13,813
335	Hydrants	633	59	574
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment	4,045	2,567	1,478
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant	15,575	7,280	8,295
	TOTALS	528,543	290,349	238,194

This amount goes on the Balance Sheet Acct. No. 108

COMPANY NAME**DRAGOON WATER CO., INC.****CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR**

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization	6,983		
302	Franchises			
303	Land and Land Rights	2,750		
304	Structures and Improvements	29,114	3.33%	969
307	Wells and Springs	34,296	3.33%	1,142
311	Pumping Equipment	149,904	12.50%	18,738
320	Water Treatment Equipment			
330	Distribution Reservoirs and Standpipes	94,615	2.22%	2,100
331	Transmission and Distribution Mains	150,733	2.00%	3,015
333	Services	14,201	3.33%	473
334	Meters and Meter Installations	25,694	8.33%	2,140
335	Hydrants	633	3.33%	21
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment	4,045	6.67%	270
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant	15,575	2.50%	389
	SUBTOTAL	528,543		29,257
	Less: Amortization of Contributions			7,010
	TOTAL	528,543		22,247

This amount goes on Comparative Statement of Income and Expense Acct. No. 403.

ULLMANN
& COMPANY P.C.
Certified Public Accountants

To the Board of Directors of
Dragoon Water Co., Inc.
Scottsdale, Arizona

We have compiled the balance sheet of Dragoon Water Co., Inc. (a corporation) as of December 31, 2004 and 2003, and the comparative statement of income and expense for the years then ended included in the accompanying prescribed form in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

Our compilation was limited to presenting in the form prescribed by the Arizona Corporation Commission information that is the representation of management. We have not audited or reviewed the financial statements referred to above and, accordingly, do not express an opinion or any other form of assurance on them.

These financial statements are presented in accordance with the requirements of the Arizona Corporation Commission, which differ from generally accepted accounting principles. Accordingly, these financial statements are not designed for those who are not informed about such differences.

All other information contained in the accompanying prescribed form has not been audited, reviewed, or compiled by us and, accordingly, we assume no responsibility for that information.

Ullmann & Company

ULLMANN & COMPANY, P.C.
Certified Public Accountants

February 14, 2005

COMPANY NAME**DRAGOON WATER CO., INC.****BALANCE SHEET**

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	ASSETS		
	CURRENT AND ACCRUED ASSETS		
131	Cash	\$ 22,473	\$ 36,968
134	Working Funds		
135	Temporary Cash Investments		
141	Customer Accounts Receivable	9,574	8,232
146	Notes/Receivables from Associated Companies		
151	Plant Material and Supplies		
162	Prepayments		
174	Miscellaneous Current and Accrued Assets	2,526	5,613
	TOTAL CURRENT AND ACCRUED ASSETS	\$ 34,573	\$ 50,813
	FIXED ASSETS		
101	Utility Plant in Service	\$ 523,088	\$ 528,543
103	Property Held for Future Use		
105	Construction Work in Progress		
108	Accumulated Depreciation - Utility Plant	261,092	290,349
121	Non-Utility Property		
122	Accumulated Depreciation - Non Utility		
	TOTAL FIXED ASSETS	\$ 261,996	\$ 238,194
	TOTAL ASSETS	\$ 296,569	\$ 289,007

NOTE: The Assets on this page should be equal to Total Liabilities and Capital on the following page.

COMPANY NAME

DRAGOON WATER CO., INC.

BALANCE SHEET (CONTINUED)

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	LIABILITIES		
	CURRENT LIABILITES		
231	Accounts Payable	\$ 3,639	\$ -
232	Notes Payable (Current Portion)	11,980	11,860
234	Notes/Accounts Payable to Associated Companies		
235	Customer Deposits	1,786	1,912
236	Accrued Taxes	2,470	2,556
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities	56	56
	TOTAL CURRENT LIABILITIES	\$ 19,931	\$ 16,384
	LONG-TERM DEBT (Over 12 Months)		
224	Long-Term Notes and Bonds	\$ 167,721	\$ 170,434
	DEFERRED CREDITS		
251	Unamortized Premium on Debt		
252	Advances in Aid of Construction	6,840	6,050
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction	124,735	124,735
272	Less: Amortization of Contributions	36,287	43,297
281	Accumulated Deferred Income Tax		
	TOTAL DEFERRED CREDITS	\$ 95,288	\$ 87,488
	TOTAL LIABILITIES	\$ 282,940	\$ 274,306
	CAPITAL ACCOUNTS		
201	Common Stock Issued	\$ 13,000	\$ 13,000
211	Paid in Capital in Excess of Par Value	168,642	168,642
215	Retained Earnings	(168,013)	(166,941)
218	Proprietary Capital (Sole Props and Partnerships)		
	TOTAL CAPITAL	\$ 13,629	\$ 14,701
	TOTAL LIABILITIES AND CAPITAL	\$ 296,569	\$ 289,007

COMPANY NAME**DRAGOON WATER CO., INC.****COMPARATIVE STATEMENT OF INCOME AND EXPENSE**

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$ 96,803	\$ 88,804
460	Unmetered Water Revenue		
474	Other Water Revenues	800	1,423
	TOTAL REVENUES	\$ 97,603	\$ 90,227
	OPERATING EXPENSES		
601	Salaries and Wages		
610	Purchased Water		
615	Purchased Power	10,028	7,408
618	Chemicals		
620	Repairs and Maintenance	9,283	3,467
621	Office Supplies and Expense	784	968
630	Outside Services	37,863	31,451
635	Water Testing	877	1,112
641	Rents	619	2,342
650	Transportation Expenses		
657	Insurance - General Liability	1,378	1,227
659	Insurance - Health and Life		
666	Regulatory Commission Expense - Rate Case		
675	Miscellaneous Expense	10,174	5,983
403	Depreciation Expense	21,805	22,247
408	Taxes Other Than Income		
408.11	Property Taxes	4,881	5,087
409	Income Tax	(5,729)	45
	TOTAL OPERATING EXPENSES	\$ 91,963	\$ 81,337
	OTHER INCOME/EXPENSE		
419	Interest and Dividend Income		
421	Non-Utility Income		
426	Miscellaneous Non-Utility Expenses		
427	Interest Expense	8,348	7,818
	TOTAL OTHER INCOME/EXP	\$ (8,348)	\$ (7,818)
	NET INCOME/(LOSS)	\$ (2,708)	\$ 1,072

SUPPLEMENTAL FINANCIAL DATA**Long-Term Debt**

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued	VARIES			
Source of Loan	WIFA			
ACC Decision No.				
Reason for Loan				
Dollar Amount Issued	\$196,383	\$	\$	\$
Amount Outstanding	\$182,294	\$	\$	\$
Date of Maturity	04/01/2018			
Interest Rate	4.688%			
Current Year Interest	\$7,665	\$	\$	\$
Current Year Principle	\$7,771	\$	\$	\$

Meter Deposit Balance at Test Year End

\$6,050

Meter Deposits Refunded During the Test Year

\$990

COMPANY NAME Dragoon Water Company

WATER COMPANY PLANT DESCRIPTION

WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
55-631739	7.5	35	690	12	3	
55-631738	30	200	471	12	4	

* Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)
None		

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
5	2		
15	2		
10	2		
1.5	2		

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
40,000	1	5,000	2
20,000	1	2,000	1
5,000	1	100	1

COMPANY NAME **Dragoon Water Company**

WATER COMPANY PLANT DESCRIPTION (CONTINUED)

MAINS

Size (in inches)	Material	Length (in feet)
2	PVC	300
3	AC	2,830
4	AC	4,030
5		
6	AC	600
8		
10		
12		
3	PVC	16,418
4	PVC	9,637
6	PVC	7,460

CUSTOMER METERS

Size (in inches)	Quantity
5/8 X 3/4	110
3/4	
1	10
1 1/2	
2	
Comp. 3	
Turbo 3	
Comp. 4	
Tubo 4	
Comp. 6	
Tubo 6	

For the following three items, list the utility owned assets in each category.

TREATMENT EQUIPMENT:

None

STRUCTURES:

10' X 10' Pump House

10' X 12' Pump House

1200 ft of 6' Chain Link Fence

5' X 5' Booster House

2 Storage Shops

OTHER:

COMPANY NAME: Dragoon Water Company

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2004

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD	GALLON PUMPED (Thousands)
JANUARY	143	545,580	640
FEBRUARY	128	527,920	628
MARCH	129	473,240	546
APRIL	129	642,490	671
MAY	129	921,340	947
JUNE	129	1,254,880	1,361
JULY	129	1,148,181	1,174
AUGUST	129	849,759	925
SEPTEMBER	130	818,250	818
OCTOBER	130	767,330	886
NOVEMBER	130	515,240	570
DECEMBER	130	501,390	632
TOTAL		N/A	9,798

Is the Water Utility located in an ADWR Active Management Area (AMA)?

() Yes (x) No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?

() Yes (x) No

If yes, provide the GPCPD amount: _____

What is the level of arsenic for each well on your system. <0.0030 mg/l
(If more than one well, please list each separately.) <0.0030

Note: If you are filing for more than one system, please provide separate data sheets for each system.

COMPANY NAME DRAGOON WATER CO., INC. YEAR ENDING 12/31/2004

PROPERTY TAXES

Amount of actual property taxes paid during Calendar Year 2004: \$ 5,000

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled Checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain reasons below:

COMPANY NAME DRAGOON WATER CO., INC.

YEAR ENDING 12/31/2004

INCOME TAXES

For this reporting period, provide the following:

Federal Taxable Income Reported	<u>7,539</u>
Estimated or Actual Federal Tax Liability	<u>0</u>

State Taxable Income Reported	<u>7,584</u>
Estimated or Actual State Tax Liability	<u>45</u>

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances	<u>N/A</u>
Amount of Gross-Up Tax Collected	<u>N/A</u>
Total Grossed-Up Contributions/Advances	<u>N/A</u>

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

CERTIFICATION

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.



SIGNATURE

03/07/05

DATE

JAMES SULLIVAN

PRINTED NAME

President

TITLE

**VERIFICATION
AND
SWORN STATEMENT
Intrastate Revenues Only**

RECEIVED

MAR 10 2005

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

AZ Corporation Commission
Director Of Utilities

COUNTY OF (COUNTY NAME)

COCHISE

NAME (OWNER OR OFFICIAL) TITLE

JAMES P. SULLIVAN

COMPANY NAME

DRAGOON WATER COMPANY, INC.

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2004

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

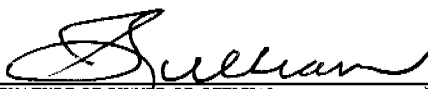
IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2004 WAS:

Arizona IntraState Gross Operating Revenues Only (\$)

\$ 95,789

**(THE AMOUNT IN BOX ABOVE
INCLUDES \$ 5,562
IN SALES TAXES BILLED, OR COLLECTED**

****REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)**


SIGNATURE OF OWNER OR OFFICIAL
(480) 945 4800
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

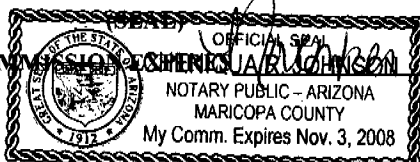
THIS

7th

DAY OF

COUNTY NAME Maricopa
MONTH March YEAR 2005

MY COMMISSION EXPIRES



SIGNATURE OF NOTARY PUBLIC

**VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE
INTRASTATE REVENUES ONLY**

RECEIVED

MAR 10 2005

AZ Corporation Commission
Director Of Utilities

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

CO (COUNTY NAME)	COCHISE	
NAME (OWNER OR OFFICIAL)	JAMES P. SULLIVAN	TITLE PRESIDENT
COMPANY NAME	DRAGOON WATER COMPANY, INC.	

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2004

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2004 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES

\$ 79,664

**(THE AMOUNT IN BOX AT LEFT
INCLUDES \$ 4,623
IN SALES TAXES BILLED, OR COLLECTED**

***RESIDENTIAL REVENUE REPORTED ON THIS PAGE
MUST INCLUDE SALES TAXES BILLED.**

X Sullivan
SIGNATURE OF OWNER OR OFFICIAL.

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

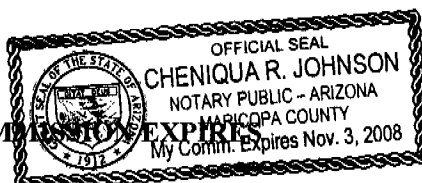
THIS

7th

DAY OF

(SEAL)

MY COMMISSION EXPIRES



NOTARY PUBLIC NAME

COUNTY NAME

MONTH

20 05

X

SIGNATURE OF NOTARY PUBLIC

**ULLMANN
& COMPANY P.C.**
Certified Public Accountants

To The Board of Directors
Dragoon Water Company, Inc.
Scottsdale, Arizona

We have compiled the accompanying balance sheet of Dragoon Water Company, Inc. (a corporation) as of December 31, 2004, and the related statement of income for the year then ended, in accordance with the Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

Management has elected to omit substantially all of the disclosures and the statement of cash flows required by accounting principles generally accepted in the United States of America. If the omitted disclosures and statement of cash flows were included in the financial statements, they might influence the user's conclusions about the Company's financial position, results of operations, and cash flows. Accordingly, these financial statements are not designed for those who are not informed about such matters.

This report is intended solely for the information and use of the owners, management, and others within the company and is not intended to be and should not be used by anyone other than these specified parties.

Ullmann & Company

Ullmann & Company, P.C.
Certified Public Accountants

February 14, 2005

Dragoon Water Company
Balance Sheet
As of December 31, 2004

Dec 31, 04

ASSETS

Current Assets

Checking/Savings

131.00 · CHECKING-BANK ONE 36,967.92

Total Checking/Savings 36,967.92

Other Current Assets

141.00 · ACCOUNTS RECEIVABLE 8,232.13

Total Other Current Assets 8,232.13

Total Current Assets 45,200.05

Fixed Assets

301.00 · ORGANIZATION COSTS 6,983.00

303.00 · LAND 2,750.00

304.00 · STRUCTURES & IMPROVEMENTS 29,114.00

307.00 · WELLS & SPRINGS 34,295.81

309.00 · SUPPLY MAINS 4,153.59

311.00 · PUMPING EQUIPMENT 149,904.42

330.00 · RESERVOIRS & STANDPIPES 94,614.95

331.00 · T&D MAINS 146,578.79

333.00 · SERVICES 14,200.99

334.00 · METERS & INSTALLATION 25,693.84

335.00 · FIRE DEPARTMENT 633.14

340.00 · OFFICE FURNITURE 4,045.00

348.00 · OTHER TANGIBLE PLANT 15,575.00

108.00 · ACCUMULATED DEPRECIATION (290,349.00)

Total Fixed Assets 238,193.53

Other Assets

120.01 · WIFA RESERVE 5,613.20

Total Other Assets 5,613.20

TOTAL ASSETS 289,006.78

LIABILITIES & EQUITY

Liabilities

Current Liabilities

Other Current Liabilities

232.10 · CURRENT PORTION OF L/T... 11,860.00

235.00 · CUSTOMER DEPOSITS 1,912.12

236.00 · ACCRUED TAXES 2,511.32

236.13 · AZ INCOME TAXES PAYABLE 45.00

241.01 · UNCLAIMED PROPERTY 56.47

Total Other Current Liabilities 16,384.91

Total Current Liabilities 16,384.91

Long Term Liabilities

224.10 · NOTE PAYABLE-WIFA 182,293.82

224.90 · LESS CURRENT PORTION L/T ... (11,860.00)

251.00 · METER DEPOSITS 6,050.00

Total Long Term Liabilities 176,483.82

Total Liabilities 192,868.73

Equity

201.00 · COMMON STOCK 13,000.00

211.00 · PAID IN CAPITAL 168,642.18

215.00 · RETAINED EARNINGS (168,013.67)

272.00 · CONTRIB. AID CONSTRUCTION 124,735.00

272.01 · ACCUM AMORT CIAC (43,297.00)

Net Income 1,071.54

Total Equity 96,138.05

TOTAL LIABILITIES & EQUITY 289,006.78

See Accountants' Compilation Report

Dragoon Water Company
Statement of Income
January through December 2004

	Jan - Dec 04
Income	
460.00 · ESTABLISHMENT FEES	1,241.00
461.00 · WATER SALES	88,803.89
471.00 · OTHER INCOME	181.73
Total Income	90,226.62
Expense	
403.00 · DEPRECIATION EXPENSE	22,247.00
408.11 · PROPERTY TAXES	5,087.37
409.11 · STATE INCOME TAXES	45.00
427.00 · INTEREST EXPENSE	7,817.64
615.00 · ELECTRIC & GAS	7,408.19
620.00 · REPAIRS & MAINTENANCE	3,467.03
621.00 · OFFICE EXPENSE	968.27
630.00 · OUTSIDE SERVICES	1,860.89
632.00 · ACCOUNTING FEES	4,863.60
632.01 · LEGAL FEES	971.97
635.00 · WATER TESTING	1,111.92
636.00 · CONTRACTUAL SERVICES	17,824.80
636.01 · CONTRACTUAL-SULLIVAN	5,929.60
641.00 · RENTAL OF EASEMENT	803.83
642.00 · RENTAL OF EQUIPMENT	1,538.40
657.00 · INSURANCE	1,227.00
675.00 · MISCELLANEOUS	45.00
675.02 · BANK CHARGES	6.00
675.05 · TRAVEL	1,298.23
675.07 · TRAVEL-SUM	4,633.34
Total Expense	89,155.08
Net Income	<u>1,071.54</u>

See Accountants' Compilation Report